

Message Text

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PAGE 01 MADRID 07582 202145Z

54

ACTION EB-11

INFO OCT-01 EUR-25 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01

DRC-01 /193 W

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R 201552Z DEC 73

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 7582

INFO USMISSION GENEVA

USMISSION USEC BRUS ELS

C O N F I D E N T I A L MADRID 7582

E.O. 11652: GDS

TAGS: EAGR ETRD SP

SUBJECT: SOYBEANS: VARIABLE LEVY/"REBATE" SYSTEM

REF: MADRID 7528; STATE 244333

IN THE PROCESS OF RAISING POINTS REF DEPTTEL WITH
ANTONIO DEL CASTILLO, SUBDIRECTOR GENERAL FOR COMMERCIAL
POLICY, MINISTRY OF COMMERCE, THE GOS OFFICIAL MADE THE
FOLLOWING OBSERVATIONS:

A) THE DATE WHEN THE VARIABLE LEVY ("DERECHO
REGULADOR") ON IMPORTS OF SOYBEANS AND SOYBEAN MEAL WAS
IMPLEMENTED, SEPTEMBER 18, 1973, WAS ALSO THE DATE WHEN
SOYBEAN AND SOYBEAN MEAL IMPORTS WERE LIBERALIZED. THIS
IS MORE THAN COINCIDENTAL SINCE THE PRESENT LIBERALIZED
IMPORT REGIME PREVENTS THE GOS FROM LIMITING IMPORTS
THROUGH IMPORT LICENSE DENIAL, AS HAD BEEN THEORETICALLY
POSSIBLE PREVIOUSLY. THEREFORE, IT WAS FELT NECESSARY
TO PROTECT THE MEMBERS OF THE INDUSTRY WHO WERE
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PAGE 02 MADRID 07582 202145Z

COOPERATING WITH SENPA ON THE REBATE SCHEME FROM

SPECULATORS WHO MIGHT TAKE ADVANTAGE OF THE SITUATION
BY IMPORTING AND STORING SOYBEANS TO THE POSSIBLE
DISADVANTAGE OF THE COOPERATING CRUSHERS.

D) DEL CASTILLO, WHO IS THE MINISTRY OF COMMERCE
GATT EXPERT, IS WARNING HIS MINISTRY OF THE POSSIBLE
CONSEQUENCES OF CONTINUING A SYSTEM WHICH RUNS CONTRARY
TO GATT OBLIGATIONS, NAMELY THAT IF
THE SYSTEM IS TO CONTINUE IT WILL MEAN THAT SPAIN WILL
PROBABLY HAVE TO UNBIND THE TARIFFS ON SOYBEANS AND SOYBEAN
MEAL. IN RESPONSE, HE SAID HE WILL ADVISE, THAT IT
SHOULD BE EXPECTED
THAT THE U.S. WOULD COMPENSATE BY
UNBINDING A TARIFF ON A PRODUCT OF INTEREST TO SPAIN IN ITS
EXPORT TRADE WITH THE U.S.

C) DEL CASTILLO CONFIRMED THE EARLIER EMBASSY

SPECULATIVE COMMENT (SEE REF EMBTEL, PARA 4) THAT
COMMERCE MINISTER COTORRUELO'S PREVIOUS ASSOCIATION WITH
FORPPA (FARM COMMODITY AND PRICE STABILIZATION AGENCY)
WAS INHIBITING AND AFFECTING HIS PRESENT DECISION-MAKING
ON THIS ISSUE.
RIVERO

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EO Systematic Review
30 JUN 2005

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